2009-2010 ANNUAL REPORT

connect

For some people, improving health care is a personal mission. For others, it is a community building opportunity. It may be your livelihood. At the Health Quality Council, it is all of these things. And it is always our focus. It is not enough to have only one view, one goal, and one person to inspire us. Over the past year we have explored new opportunities to improve care for Saskatchewan people, by connecting...

perspectives, priorities, and people.

SASKATCHEWAN HEALTH QUALITY COUNCIL

In early 2010, we published a report entitled, *Building a Culture of Quality Improvement in Saskatchewan's Health Care System: Assessing the Impact of the Health Quality Council.*

This document describes the extent to which the HQC has accelerated improvement throughout the province's health care system and helped build a culture of quality since the organization was established. The report is available at www.hqc.sk.ca, under About Us > HQC's Impact on Health Care

THE HEALTH QUALITY COUNCIL (HQC) IS AN INDEPENDENT AGENCY THAT MEASURES AND REPORTS ON QUALITY OF CARE IN SASKATCHEWAN, PROMOTES IMPROVEMENT, AND ENGAGES ITS PARTNERS IN BUILDING A BETTER HEALTH SYSTEM.

OUR VISION:
The highest quality of health care for everyone, every time.

OUR MISSION:
To accelerate improvement in the quality of health care throughout Saskatchewan.

OUR DEFINITION OF QUALITY:
Quality health care is care that is safe, effective, responsive / patient-centred, equitable and efficient.

OUR WORK IS GUIDED BY THESE PRINCIPLES:

Collaboration
Partnerships among those committed to transformative change are critical. We believe open communication and collaboration nurtures relationships and produces results. We encourage full participation, different perspectives, constructive dialogue, and people building the skills to help themselves.

Focus On Improvement
The pursuit of excellence is relentless. Continuous improvement is at the core of the work we do and the way we work; this includes managing in and learning from uncertainty.

Knowledge For Action
Evidence informs and measurement drives all of our activities. We are driven to gather, synthesize, and exchange knowledge, to continually learn, and to put what we learn into practice in a way that engages our key partners.

Responsiveness
In a dynamic and ever-changing environment, we respond to system needs and identify emerging opportunities to support our partners in making care better and safer.

Innovation
To achieve our mission, we must challenge the status quo, question from a base of evidence, and work with those ready to fundamentally redesign the system.

Transparency
Transparency in processes and outcomes builds trust and respect, and is the foundation for learning and improvement.

Integrity
Our morals and character guide us to act ethically at all times in service of the public good.

CONTENTS

Letter of Transmittal	1
Message from the Board Chair	2
Message from the CEO	3
Board of Directors	4
Health Quality Council Staff	5
Connecting Perspectives	6
Connecting Priorities	8
Connecting People	10
Financial Statements	14

letter of transmittal

The Honourable Don McMorris
Minister of Health
Room 302, Legislative Building
Regina, Saskatchewan
S4S 0B3

Dear Mr. McMorris:

I am pleased to submit the annual report for the Health Quality Council. This report for the 2009–2010 fiscal year is submitted in accordance with the requirements of *The Health Quality Council Act* and *The Tabling of Documents Act*.

Marlene Smadu

Marlene Smadu
Board Chair
Health Quality Council

message from the board chair

For the Health Quality Council, the alliances, partnerships and relationships we develop are fundamental to achieving our goals.

Our Accelerating Excellence initiative continues to provide critical direction for us as an organization. Through it, we are working to nurture in Saskatchewan those attributes common to high-performing health care systems elsewhere, including leadership for quality, engaged providers, and a measurement and reporting system that supports learning and improvement.

The Quality as a Business Strategy (QBS) learning collaborative has continued to be a unique experience for our health care system leaders. Never before have so many influencers in our system come together in one room to focus on their critical role. Through QBS, we have connected leaders across the province in the challenging work of identifying a common purpose across organizations, and seeing ourselves as one system. This has been a useful process for our own HQC Board, as we move forward with our next three-year strategic plan. Our focus continues to be on aligning our work with the system, providing support, and serving as a catalyst for innovation.

We are thrilled by the response in this province to the Releasing Time to Care™ program. Context testing of the program has continued to connect nurses across the province around the common goal of spending more time where it really matters, with patients. The positive results are illustrating first-hand why involvement of clinicians and front line workers in quality improvement is critical.

Over the last year, we have worked with the medical community to help prepare a number of physicians to take on larger roles in health system change. Through our Chronic Disease Management Collaborative, doctors are learning how to bring an even more patient-centred approach to care for people living with chronic disease. Under the guidance of the new Champions for Quality Improvement group, the cadre of physician leaders in this province continues to grow.

In October the system heard the voice of its customer, with the release of the Patient First Review. The new Saskatchewan Surgical Initiative, our province's first response to Commissioner Tony Dagnone's report, provides a focal point for our system. HQC staff and Board members are making a significant contribution of leadership and support to this provincial priority. We look forward to supporting and advancing the strategies that will involve so many of our health system partners in improving the surgical experience for Saskatchewan patients.

We do not yet have a crystal clear image of what a transformed health care system in Saskatchewan will look like. But it is clear that organizations are now, more than ever, working as one system, toward a shared priority. Becoming a more patient- and family-focused system is both necessary and achievable. Through the leadership of our Board, and the passionate work of our staff, we are doing our part to help reach this important goal.

Marlene Smadu

Marlene Smadu
Board Chair

message from the CEO

In our 2007–2010 strategic plan, the Health Quality Council set out an ambitious agenda for accelerating improvement across Saskatchewan's health care system. This roadmap was based on our conviction that by working closely with our partners, we would take a major step toward bringing Saskatchewan residents the highest quality of health care. As I reflect back over the past 12 months, I am pleased by the extent to which we have helped support change, by both informing and aligning with the people, perspectives, and priorities of our health care system.

This past year, HQC established and strengthened several partnerships, both within our province, and beyond. These connections cascaded through the health care system — from working with frontline providers through the Releasing Time to Care™ (RTC) program and our second Chronic Disease Management Collaborative, to learning alongside senior executives and governors in our Quality as a Business Strategy learning collaborative. Through these key initiatives, more and more people working in Saskatchewan's health care system are focusing their attention on quality and on our shared commitment to continuously improving it.

We have collaborated with the academic community by establishing our first Adjunct Scientist, from the School of Public Health at the University of Saskatchewan, and worked together with several academic experts to secure funding to evaluate our implementation of the RTC program. Internationally, HQC forged a strategic partnership with the National Health Service's Institute for Innovation and Improvement, in the United Kingdom; we are fortunate to be one of a handful of jurisdictions worldwide to work with this global leader in quality improvement. Already we have seen the benefits of this partnership, through direct access to innovative and renowned improvement programs like The Productive Series — including RTC — and to sages in quality improvement.

The release of the Patient First Review and announcement of the government's lead-out strategy to transform the surgical experience has heightened our need to partner broadly within the Saskatchewan health care system, in a way that applies our strengths and talents to help the system successfully meet the aims of this audacious program. The Saskatchewan Surgical Initiative offers an opportunity to focus our efforts and energy in the years ahead to improve one important aspect of care affecting many patients; by strengthening our relationships with the health regions, provider groups and the Ministry of Health, this work will prepare our system to tackle change in other critical areas, such as primary care.

Like our partners, we have learned a lot from our involvement in the Quality as a Business Strategy learning collaborative. We still have much learning ahead, but our work to date has laid a solid foundation for us to build upon in our journey to becoming a high-performing organization.

The dedicated, passionate people who work at HQC fuel our continued growth as a leading edge organization. Their commitment to HQC's purpose is unwavering and inspiring. It is both an honour and privilege to work with such a talented team.

Bonnie Brossart
Chief Executive Officer

board of directors

Marlene Smadu
(Chair)

Peter Barrett
(Vice-Chair)

Ross Baker

Charlyn Black

Maura Davies

Daniel Fox

Eber Hampton

Don Hoium

Cecile Hunt

Dennis Kendel

Steven Lewis

Yvonne Shevchuk

health quality council staff

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health quality council staff

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Collecting expertise.
The Quality Insight Working Group, facilitated by the Health Quality Council, has continued to lead the charge toward aligning measurement of health care quality across the province. The group includes representatives from Saskatchewan health regions, the Saskatchewan Cancer Agency and the Ministry of Health, who make the connections with measurement experts in their respective organizations.

Asking for help.
In early 2010, the Quality Insight Working Group presented a discussion paper to managers and leaders in our health care system. The document articulates the importance of aligning measurement of quality throughout our system, and identifies the barriers to alignment. The working group asked managers and leaders to consider how we can remove those barriers to measuring what we need to measure, consistently, efficiently and effectively, so we can use our knowledge to improve health care.

Sharing the decisions.
Our research report about shared decision-making supports health care providers who strive to provide the highest quality of care to patients. Engaging patients effectively and frequently in their care is one way that we can keep our efforts patient-centred. Our shared decision-making research report has also informed key decisions and actions in our system. As much of the research on shared decision-making has looked at its application to surgery, the concept is strongly woven throughout many of the plans being developed to support the Saskatchewan Surgical Initiative. We have also connected with a leading Canadian researcher on this topic, who is working with the Ministry of Health to implement shared decision-making in the province, and move from research and theory into real application.

Paving the way.
Health Quality Council's Academic Initiatives team has been recognized for their innovative approach to educating future health care workers about quality improvement. Our development of an adaptable quality improvement curriculum for undergraduate and graduate students was awarded second place in the Academy for Healthcare Improvement (AHI) Duncan Neuhauser Curricular Innovation award competition. AHI is the international body of

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academics and practitioners who conduct research and teaching on quality improvement.

Doing it together.
Thanks to the substantial contributions of our research partners, we will have the opportunity to evaluate a quality improvement initiative on a large scale. Our research team—made up of academic researchers, representatives from the Saskatchewan Union of Nurses/Government Partnership, the Change Foundation (Ontario), the Saskatchewan Health Research Foundation and HQC—has received a grant from the Canadian Institutes for Health Research (CIHR). The grant, amounting to nearly $500,000 over three years, will accelerate our evaluation of the impact of the Releasing Time to Care™ program in Saskatchewan.

Connecting knowledge to improvement.
In 2009, HQC was granted access to the Canadian Institute for Health Information (CIHI) ePortal, which houses the most up-to-date Hospital Discharge Abstract data available. The Health Quality Council is the first agency outside of government and health regions to be granted access to this CIHI tool.

Board member Dennis Kendel accepts award from AHI on behalf of the HQC Academic Initiatives team.

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A priority for all of us

In 2009, the Saskatchewan government announced a new target for our health care system: to reduce surgical wait times to no longer than three months in four years. In response, the Saskatchewan Surgical Initiative was launched; it is a province-wide initiative to improve the continuum of surgical care at each of four stages: primary health services, pre-surgical interventions, surgical patient flow and post-operative care. Details about the Saskatchewan Surgical Initiative (SkSI) are available online at **http://www.health.gov.sk.ca/saskatchewan-surgical-initiative**

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Aligning measurement with aims.
HQC and the Quality Insight Working Group have been asked to lead measurement and reporting of the impacts of the Saskatchewan Surgical Initiative. Senior leaders in the health system who are tasked with identifying aims and providing leadership and resources for the initiative made the request. Working alongside the Quality Insight Working Group, we will identify what can and should be measured in alignment with the aims of the initiative, to inform improvement efforts.

Collaborating on activities.
HQC's quality improvement and facilitation experts were also tasked with a role in the development of the Saskatchewan Surgical Initiative (SkSI). We played key roles in helping a guiding coalition — a group of physicians, administrators, leaders and patients — identify the goals and activities that contribute to the aims of the SkSI. We continue to contribute our quality improvement expertise and facilitation skills to this group through the coordination and implementation of activities leading us to a better surgical experience for patients.

Online connections.
We are leveraging online technology with the development of a web-based reporting tool for our health care system. Initially, the tool will be populated with data related to the Saskatchewan Surgical Initiative aims, allowing access to timely, accurate and relevant information. Users will have the ability to generate customized reports from the data available, to help inform and guide improvement efforts related to the initiative. For more information about development of the tool, follow our updates at **www.hqc.sk.ca/AR2010**.

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Bringing knowledge here.
Recognizing the knowledge that we can gain from those who have gone before us in system transformation, we brought some great minds from high-performing health care systems to share their experiences with us here in Saskatchewan. Göran Henriks from Jönköping, Sweden shared his knowledge of systems thinking with participants in our Quality as a Business Strategy learning collaborative; representatives from Alaska's Southcentral Foundation taught us the importance of listening to our customers; and, Lizzie Cunningham and Kim Parrish from the National Health Service's Institute for Innovation and Improvement, in the UK, brought their expertise and lessons to the context testing phase of Releasing Time to Care™. For more information about Quality as a Business Strategy and Releasing Time to Care™, visit **www.hqc.sk.ca/AR2010**

Sharing the benefits.
Patients and providers alike are reaping the benefits of a program being implemented in hospital wards throughout the province. The continued testing of the Releasing Time to Care™ (RTC) program across 18 hospital wards in Saskatchewan has improved patient safety and reliability of care, patients' experiences, staff well-being and efficiency of care. RTC gives staff strategies to improve processes, so they spend less time doing paperwork or searching for supplies and more time with patients. More information about the successes of RTC is available at **www.hqc.sk.ca/AR2010**

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Spreading lessons beyond our borders.
Our facilitation of the Releasing Time to Care™ (RTC) program is gaining attention not only locally, but nation-wide as well. An informational webinar we hosted in January to support Saskatchewan leaders looking at introducing RTC in their own jurisdictions, also attracted representatives from all across the rest of Canada.

Coming together to learn.
Our second Chronic Disease Management Collaborative has presented opportunities for health care organizations to develop partnerships, learn from one another, and contribute to common goals. Over 200 physicians, nurse practitioners, specialists and office managers across Saskatchewan are participating in this Collaborative, which focuses on improving care for people living with Chronic Obstructive Pulmonary Disease (COPD) and depression. HQC is using the Collaborative methodology to enhance the sharing of challenges, lessons learned, and successes among all participants. More information about our Chronic Disease Management Collaborative is available at **www.hqc.sk.ca/AR2010**

Partners in opportunity.
Proper testing of lung function with a spirometer improves diagnoses and management of Chronic Obstructive Pulmonary Disease (COPD). The Lung Association, Saskatchewan Medical Association, and HQC pooled resources to provide practices involved in the Chronic Disease Management Collaborative with training in spirometry testing and interpreting results. To encourage primary care practices to apply their new knowledge and skills, those who fulfilled training requirements were also eligible to receive partial reimbursement of the cost of a spirometer. In combination, these offerings ensure greater availability of spirometry, and thus, better quality of care for patients at risk of developing COPD, and those already living with the condition.

Between April 2009 and March 2010, in our health care system...

1,132 hospital and mental health care unit beds were enrolled in the Releasing Time to Care™ program. Compare this with: 437 in 2009 and 68 in 2008.

289: the number of times a registered nurse was interrupted during a 12-hour shift in the medical-surgical ward at Cypress Regional Hospital, as measured before implementation of the Releasing Time to Care™ program. By following the principles and using the tools of Releasing Time to Care™, the same ward has since increased the amount of time nurses spend providing direct care to patients (i.e., at the bedside) by **11%**

2,754 people subscribe to our weekly e-mail publication, Health Clips, which compiles research, news articles, blog posts, event announcements and other information related to health care that is of interest to our readers. If you want to receive Health Clips too, sign up at our web site: **www.hqc.sk.ca**

200+ health care system leaders participate in our Quality as a Business Strategy learning collaborative, which provides the knowledge and skills needed to create system-level change. More than halfway through the delivery of the QBS learning collaborative, we accepted **4** new teams that requested to join.

1,500: the number of patients for whom clinical information was entered into the Chronic Disease Management (CDM) Toolkit, a web-based patient registry used by participants in our Chronic Disease Management Collaborative to support more accurate diagnoses, treatment and monitoring of patients living with chronic diseases like Chronic Obstructive Pulmonary Disease (COPD) and depression.

64,529+ people visited **www.hqc.sk.ca**

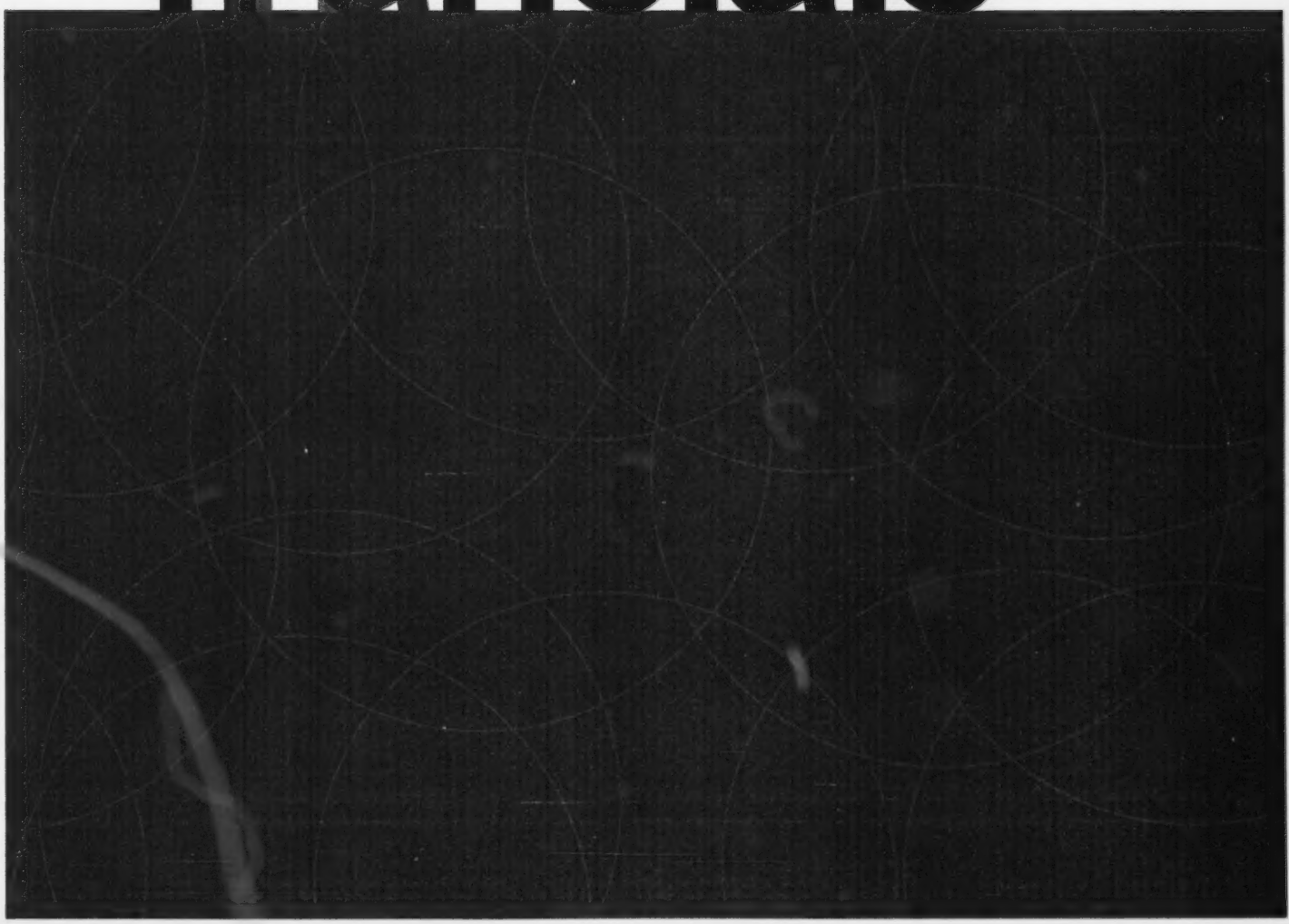
9,500: the approximate number of Saskatchewan citizens who took the time to tell us about their experience as a patient in one of the province's hospitals, by filling in and returning the acute care patient experience survey.

50+ doctors are now using the new Online Physician Engagement Network (oPEN), created by HQC, to connect with their colleagues about health care improvement.

6 organizations are now represented on the new Champions for Quality Improvement (CQI) advisory group: Saskatchewan Medical Association; College of Physicians and Surgeons; College of Medicine; Senior Medical Officers; Ministry of Health; and, Health Quality Council.

These are just some of the things we accomplished in the last year with 12 board members and 46 staff members.

financials



report of management

Management is responsible for the integrity of the financial information reported by the Health Quality Council (HQC). Fulfilling this responsibility requires the preparation and presentation of financial statements and other financial information in accordance with Canadian generally accepted accounting principles that are consistently applied, with any exceptions specifically described in the financial statements.

The accounting system used by the HQC includes an appropriate system of internal controls to provide reasonable assurance that:

- transactions are authorized;
- the assets of the HQC are protected from loss and unauthorized use; and
- the accounts are properly kept and financial reports are properly monitored to ensure reliable information is provided for preparation of financial statements and other financial information.

To ensure management meets its responsibilities for financial reporting and internal control, Board members of the HQC discuss audit and financial reporting matters with representatives of management at regular meetings. HQC Board members have also reviewed and approved the financial statements with representatives of management.

The Provincial Auditor of Saskatchewan has audited the HQC's statement of financial position, statement of operations, statement of changes in net financial assets, and statement of cash flows. His responsibility is to express an opinion on the fairness of management's financial statements. The Auditor's report outlines the scope of his audit and his opinion.

Marlene Smadu
Board Chair

B. Brossart
Bonnie Brossart
Chief Executive Officer

Saskatoon, Saskatchewan
May 28, 2010

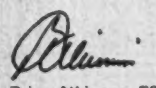
auditor's report

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Health Quality Council as at March 31, 2010 and the statements of operations, change in net assets, and cash flows for the year then ended. The Council's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Health Quality Council as at March 31, 2010 and the results of its operations and its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.



Regina, Saskatchewan
June 15, 2010

Brian Atkinson, FCA
Acting Provincial Auditor

statement of financial position

STATEMENT 1
HEALTH QUALITY COUNCIL

As at March 31	2010	2009
	(thousands of dollars)	
Financial assets		
Cash	$ 9,517	$ 14,480
Accounts receivable	53	68
	9,570	14,548
Liabilities		
Accounts payable	257	166
Payroll liabilities	270	197
Other payables	-	5,017
Deferred revenues (Note 4)	5,121	6,323
	5,648	11,703
Net financial assets	3,922	2,845
Non-financial assets		
Tangible capital assets (Note 2c & Note 3)	89	96
Prepaid expenses and deposits	36	39
	125	135
Accumulated surplus	$ 4,047	$ 2,980

Contractual commitments (Note 10)

(See accompanying notes to the financial statements)

statement of operations

STATEMENT 2
HEALTH QUALITY COUNCIL

For the year ended March 31	2010 Budget (Note 8)	2010 Actual	2009 Actual
		(thousands of dollars)	
Revenue			
Saskatchewan Health			
- General Revenue Fund	$ 5,305	$ 5,305	$ 5,150
- Accelerating Excellence	1,776	1,194	-
- Patient Experience	257	508	-
- Aboriginal Health Transition Fund	150	8	-
- Technical Efficiency (Note 4a)	-	-	83
Other (Note 5)	205	231	152
Safer Healthcare Now!	-	104	54
Educational	120	65	81
Interest	50	17	91
	7,863	7,432	5,611
Expenses			
Project funding	2,552	1,428	875
Grants	1,570	436	225
Wages and benefits	3,775	3,700	3,216
Travel	344	262	276
Administrative and operating expenses	294	118	128
Honoraria and expenses of the board	188	101	105
Amortization expense	50	52	52
Rent	260	268	269
	9,033	6,365	5,146
Annual surplus	$ (1,170)	1,067	465
Accumulated surplus, beginning of year		2,980	2,515
Accumulated surplus, end of year		$ 4,047	$ 2,980

(See accompanying notes to the financial statements)

statement of change in net assets

STATEMENT 3
HEALTH QUALITY COUNCIL

For the year ended March 31	2010	2009
	(thousands of dollars)	
Annual surplus	$ 1,067	$ 465
Acquisition of tangible capital assets	(45)	(60)
Amortization of tangible capital assets	52	52
	7	(8)
Acquisition of prepaid expenses	(36)	(39)
Use of prepaid expenses	39	45
	3	6
Increase in net financial assets	1,077	463
Net financial assets, beginning of year	2,845	2,382
Net financial assets, end of year	$ 3,922	$ 2,845

(See accompanying notes to the financial statements)

statement of cash flows

STATEMENT 4
HEALTH QUALITY COUNCIL

For the year ended March 31		**2010**		**2009**
		(thousands of dollars)		
Operating activities				
Cash received from				
Saskatchewan Health - General Revenue Fund	$	5,562	$	10,550
Saskatchewan Medical Association		200		-
Interest income		32		222
Safer Healthcare Now!		104		-
Conference		40		107
Other		105		165
		6,043		11,044
Cash paid for				
Wages and benefits		3,626		3,173
Supplies and other		541		495
Project funding		1,504		1,172
Grants		5,290		244
		10,961		5,084
Cash (used in) provided by operating activities		(4,918)		5,960
Capital activities				
Purchases of tangible capital assets		(45)		(60)
Cash used in capital activities		(45)		(60)
Investing activities				
Purchase of investments		-		(7,737)
Disposal of investments		-		10,182
Cash provided by investing activities		-		2,445
(Decrease) Increase in cash		(4,963)		8,345
Cash, beginning of year		14,480		6,135
Cash, end of year	$	9,517	$	14,480

(See accompanying notes to the financial statements)

notes to the financial statements

HEALTH QUALITY COUNCIL
March 31, 2010

1. Establishment of the Council

The ***Health Quality Council Act*** was given royal assent July 10, 2002 and proclaimed on November 22, 2002. The Health Quality Council (HQC) measures and reports on quality of care in Saskatchewan, promotes continuous quality improvement, and engages its partners in building a better health system. HQC commenced operations on January 1, 2003.

2. Accounting Policies

Pursuant to standards established by the Public Sector Accounting Board (PSAB), HQC is classified as an other government organization. HQC uses Canadian generally accepted accounting principles applicable to governments. The following accounting policies are considered to be significant:

a) Operations

For the operations of HQC, the primary revenue is contributions from the Saskatchewan Ministry of Health (Ministry of Health) – General Revenue Fund. Other sources of revenue include conference registrations, interest and miscellaneous revenue. Unrestricted contributions are recognized as revenue in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Restricted contributions are deferred and recognized as revenue in the year which related expenses are incurred. Interest earned on restricted contributions accrues to the benefit of the restricted program.

b) Measurement Uncertainty

The preparation of financial statements in accordance with PSAB accounting principles requires HQC's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of commitments at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

c) Tangible Capital Assets

Tangible capital assets are reported at cost less accumulated amortization. Purchases valued at $250 or greater are recorded as a capital asset. Leasehold improvements are amortized over the length of the lease; the current lease expires in July 2012. Amortization is recorded on a straight-line basis at rates based on estimated useful lives of the tangible capital assets as follows:

Office Furniture	10 years
Office Equipment	5 years
Computer Hardware	3 years
Computer Software	3 years
Leasehold Improvements	4 years

Normal maintenance and repairs are expensed as incurred.

notes to the financial statements

3. Tangible Capital Assets

The recognition and measurement of tangible capital assets is based on their service potential. These assets will not provide resources to discharge liabilities of HQC.

	Office Furniture & Equipment	Computer Hardware & Software	Leasehold Improvements	2010 Totals	2009 Totals
			(thousands of dollars)		
Opening cost	$ 150	$ 315	$ 61	$ 526	$ 496
Additions	14	31	-	45	60
Disposals	-	-	-	-	(30)
Closing cost	164	346	61	571	526
Opening accumulated amortization	108	268	54	430	408
Amortization	12	38	2	52	52
Disposals	-	-	-	-	(30)
Closing accumulated amortization	120	306	56	482	430
Net book value of tangible capital assets	$ 44	$ 40	$ 5	$ 89	$ 96

4. Deferred Revenues

	Beginning balance	Amount received	Amount recognized	Ending balance
		(thousands of dollars)		
Technical Efficiency	$ 488	$ 1	$ 489	$ -
Accelerating Excellence	5,212	503	1,194	4,521
Saskatchewan Medical Association	198	200	125	273
Lean Funding	-	200	15	185
The First Nations and Métis Indicator Initiative	150	-	8	142
Patient Exit Survey	250	-	250	-
Other	25	-	25	-
Totals	$ 6,323	$ 904	$ 2,106	$ 5,121

(a) Technical Efficiency

The Ministry of Health established a $1 million Technical Efficiency Program (TE) in February 2005. The Ministry has entrusted HQC to manage and coordinate the TE, which is designed to assess and evaluate those areas of the health care system that could benefit from the application of one or more process improvements:

(a) health system productivity,
(b) timeliness of health care delivery and services,
(c) health outcomes, and
(d) overall patient, public and provider satisfaction with the health system.

notes to the financial statements

A signed agreement describes the responsibilities of the Ministry of Health and HQC. The Ministry of Health approves all projects and payments that are to be funded through the TE. The original term of this agreement was March 1, 2005 to March 31, 2007. The agreement was extended to March 31, 2010.

As directed by the Ministry the balance of funds, $489,213, were transferred to the Accelerating Excellence Program (Note 4b) as of March 31, 2010.

(b) Accelerating Excellence

The Ministry of Health established a $5 million Accelerating Excellence Program (AE) in March 2008. The Ministry has entrusted HQC to manage and coordinate the AE. A signed agreement describes the responsibilities of the Ministry and HQC. The Ministry approves all projects and payments that are to be funded through the AE. The term of this agreement is March 31, 2009 to March 31, 2012.

AE is an investment in redesigning health care delivery in Saskatchewan organizations, by applying approaches and lessons learned elsewhere in the world. The money will be used to:

(a) build capacity for improvement (with leadership, middle management, front-line providers and staff, and physicians),
(b) provide protected time for people to learn and apply their knowledge and tools, and,
(c) build the infrastructure needed to measure the impact of these changes.

AE received a transfer of $489,213 from the Technical Efficiency Program (Note 4a). The HQC reduced the deferred revenue by $1,193,738 (2009 - $0) and recorded the same amount as revenue for the related costs incurred. Interest earned of $13,332 on the balance of the deferred revenue for this program was allocated to the program.

Unless otherwise directed by the Province, the HQC will return all unexpended funds to the Province upon expiration of the agreement.

(c) Saskatchewan Medical Association

The Saskatchewan Medical Association (SMA) has provided HQC with a contribution towards the Chronic Disease Management Collaborative (CDMC). SMA has designated the contribution to partially offset the time and expenses incurred by physicians that participate in the next CDMC.

The HQC reduced the deferred revenue by $124,943 (2009 - $1,685) and recorded the same amount as revenue for the related costs incurred.

(d) Lean

In March 2009, HQC received $5 million from the Ministry of Health for payments to the regional health authorities as directed by the Ministry of Health. As per the Ministry's directive HQC distributed $4.8 million to the regional health authorities and the Saskatchewan Cancer Agency. The remaining balance of $200,000 is being held by HQC to pay for provincial directives for Lean objectives.

The HQC reduced the deferred revenue by $15,084 (2009 - $0) and recorded the same amount as revenue for the related costs incurred.

notes to the financial statements

(e) The First Nations and Métis Indicator Initiative

The Ministry of Health and HQC have made an agreement for HQC to undertake the comprehensive project titled "The First Nations and Métis Indicator Initiative". The project began on March 23, 2009 and ends on March 31, 2010; an extension to this agreement is expected. The objectives of the project are:

(a) provide an information tool for First Nations and Métis health system leaders to help guide decisions on health care services and the population they serve, and
(b) develop a First Nations and Métis health indicator framework or frameworks that will look at each population separately.

Unless otherwise directed by the Ministry, HQC will return all unexpended funds to the Ministry upon expiration of the agreement.

The HQC reduced the deferred revenue by $8,037 (2009 - $0) and recorded the same amount as revenue for the related costs incurred.

(f) Patient Exit Survey

The Ministry of Health has provided HQC with $250,000 in support of the Patient Exit Survey. This survey evaluates patients' point of care experiences in Saskatchewan acute care hospitals. The survey has been created to allow for comparability across hospitals with quarterly reporting, or monthly for a few hospitals.

As directed by the Ministry these funds were placed into general revenue for the HQC.

(g) Other

HQC facilitated the Quality Improvement Consultant School (QIC) in the fall of 2009. Pre-registrations for QIC were accepted and the monies deferred were recognized as revenues in fiscal 2009 – 2010.

5. Other Income

Other income recorded by HQC is comprised of cost recoveries and honorariums.

6. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown Corporations, ministries, agencies, boards, and commissions related to HQC by virtue of common control by the Government of Saskatchewan, and non-crown corporations and enterprises subject to joint control or significant influence by the Government of Saskatchewan (collectively referred to as "related parties"). Other transactions with related parties and amounts due to or from them are described separately in these financial statements and notes thereto.

Routine operating transactions with related parties are recorded at the agreed upon rates charged by those organizations and are settled on normal trade terms.

HQC pays Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

notes to the financial statements

	2010	2009
	(thousands of dollars)	
Revenue		
Regional Health Authorities	$ 53	$ 29
Saskatchewan Cancer Agency	5	-
University of Saskatchewan	-	35
Expenses		
Capital Pension Plan	179	164
Regional Health Authorities	388	168
Saskatchewan Health Information Network	1	7
Saskatchewan Ministry of Finance	21	1
Saskatchewan Opportunities Corporation - Innovation Place	287	303
Saskatoon Community Clinic	3	-
SaskTel	13	11
University of Saskatchewan	12	7
Other Payables (Lean - Note 4d)		
Regional Health Authorities	4,561	-
Saskatchewan Cancer Agency	239	-
Accounts Payable		
Regional Health Authorities	5	24
Saskatchewan Health Information Network	-	7
Saskatchewan Opportunities Corporation - Innovation Place	2	32
Saskatoon Community Clinic	2	-
University of Saskatchewan	1	-
Accounts Receivable		
Ministry of Health	9	45
Regional Health Authorities	9	5
Saskatchewan Association of Health Organizations	3	-
University of Saskatchewan	4	-

notes to the financial statements

7. Financial Instruments

HQC has the following financial instruments: accounts receivable, accounts payable, and accrued payroll liabilities. The following paragraphs disclose the significant aspects of these financial instruments. HQC has policies and procedures in place to mitigate the associated risk.

a) Significant terms and conditions

There are no significant terms and conditions associated with the financial instruments that may affect the amount, timing, and certainty of future cash flows.

b) Interest rate risk

HQC is exposed to interest rate risk when the value of its financial instruments fluctuates due to changes in market interest rates. HQC does not have any long-term investments that may be affected by market pressures.
HQC's receivables and payables are non-interest bearing.

c) Credit risk

HQC is exposed to credit risk from potential non-payment of accounts receivable.

Most of HQC's receivables are from provincial agencies and the federal government; therefore, the credit risk is minimal.

d) Fair Value

For the following financial instruments, the carrying amounts approximate fair value due to their immediate or short-term nature:

Accounts receivable
Accounts payable
Accrued payroll liabilities

8. Budget

These amounts represent the operating budget approved by the Board of Directors.

9. Pension Plan

HQC is a participating employer in the Capital Pension Plan, a defined contribution pension plan. Eligible employees make monthly contributions of 6.35% of gross salary, which are matched by HQC. HQC's contributions for this fiscal year were $179,048 (2009 - $164,123).

notes to the financial statements

10. Contractual Commitments

As of March 31, 2010, HQC had the following commitments:

a) Office Rent

HQC has a lease for office space with Innovation Place. The lease has been extended to July 31, 2012. The monthly cost is $20,439, for the period of August 1, 2007 to July 31, 2012.

b) National Research Corporation Canada

HQC has contracted the National Research Corporation Canada to conduct a survey regarding patient satisfaction throughout all Saskatchewan regional health authorities. The National Research Corporation Canada will be responsible for collecting, processing and reporting survey results to HQC.

The period of this contract is from April 1, 2009 to March 31, 2011. The expenditures for the period of April 1, 2010 to March 31, 2011 are projected to be $400,000.

c) 3M

HQC has entered into an agreement with 3M to license risk assessment software for data analysis. The licensing agreement is effective from August 1, 2009 to July 31, 2014. The amount paid for licensing for the period of August 2009 to March 2010 was $51,188. The pricing schedule for the remaining time periods is:

Period Licensing	
April 2010 – March 2011	$ 75,319
April 2011 – March 2012	77,578
April 2012 – March 2013	79,905
April 2013 – July 2014	106,678

d) National Health Service Institute for Innovation and Improvement (NHSI)

HQC has entered into an agreement with NHSI for NHSI to provide support and training to HQC employees to become system change leaders and facilitators of effective communication relating to specific improvement initiatives and broader system transformation initiatives.

The period of this contract is from April 1, 2010 to March 31, 2011. The cost of this contract is £42,750 (British Pounds).

auditor's report

To: The Members of the Legislative Assembly of Saskatchewan

I have audited Health Quality Council's control as of March 31, 2010 to express an opinion as to the effectiveness of its control related to the following objectives.

- To safeguard public resources. That is, to ensure its assets are not lost or used inappropriately; to ensure it does not inappropriately incur obligations; to establish a financial plan for the purposes of achieving its financial goals; and to monitor and react to its progress towards the objectives established in its financial plan.
- To prepare reliable financial statements.
- To conduct its activities following laws, regulations and policies related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

I used the control framework developed by The Canadian Institute of Chartered Accountants (CICA) to make my judgements about the effectiveness of Health Quality Council's control. I did not audit certain aspects of control concerning the effectiveness, economy, and efficiency of certain management decision-making processes.

The CICA defines control as comprising those elements of an organization that, taken together, support people in the achievement of the organization's objectives. Control is effective to the extent that it provides reasonable assurance that the organization will achieve its objectives.

Health Quality Council's management is responsible for effective control related to the objectives described above. My responsibility is to express an opinion on the effectiveness of control based on my audit.

I conducted my audit in accordance with standards for assurance engagements established by The Canadian Institute of Chartered Accountants. Those standards require that I plan and perform an audit to obtain reasonable assurance as to effectiveness of Health Quality Council's control related to the objectives stated above. An audit includes obtaining an understanding of the significant risks related to these objectives, the key control elements and control activities to manage these risks and examining, on a test basis, evidence relating to control.

Control can provide only reasonable and not absolute assurance of achieving objectives reliably for the following reasons. There are inherent limitations in control including judgement in decision-making, human error, collusion to circumvent control activities and management overriding control. Cost/benefit decisions are made when designing control in organizations. Because control can be expected to provide only reasonable assurance and not absolute assurance, the objectives referred to above may not be achieved reliably. Also, projections of any evaluation of control to future periods are subject to the risk that control may become ineffective because of changes in internal and external conditions, or that the degree of compliance with control activities may deteriorate.

In my opinion, based on the limitations noted above, Health Quality Council's control was effective, in all material respects, to meet the objectives stated above as of March 31, 2010 based on the CICA criteria of control framework.

Brian Atkinson, FCA
Acting Provincial Auditor

Regina, Saskatchewan
May 28, 2010

auditor's report

To: The Members of the Legislative Assembly of Saskatchewan

I have made an examination to determine whether the Health Quality Council, complied with the provisions of the following legislative and related authorities pertaining to its financial reporting, safeguarding public resources, spending, revenue raising, borrowing and investing activities during the year ended March 31, 2010:

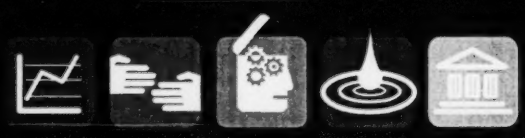
The Health Quality Council Act
The Tabling of Documents Act, 1991
Orders in Council issued pursuant to the above Acts

My examination was made in accordance with Canadian generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, the Health Quality Council has complied, in all significant respects, with the provisions of the aforementioned legislative and related authorities during the year ended March 31, 2010.

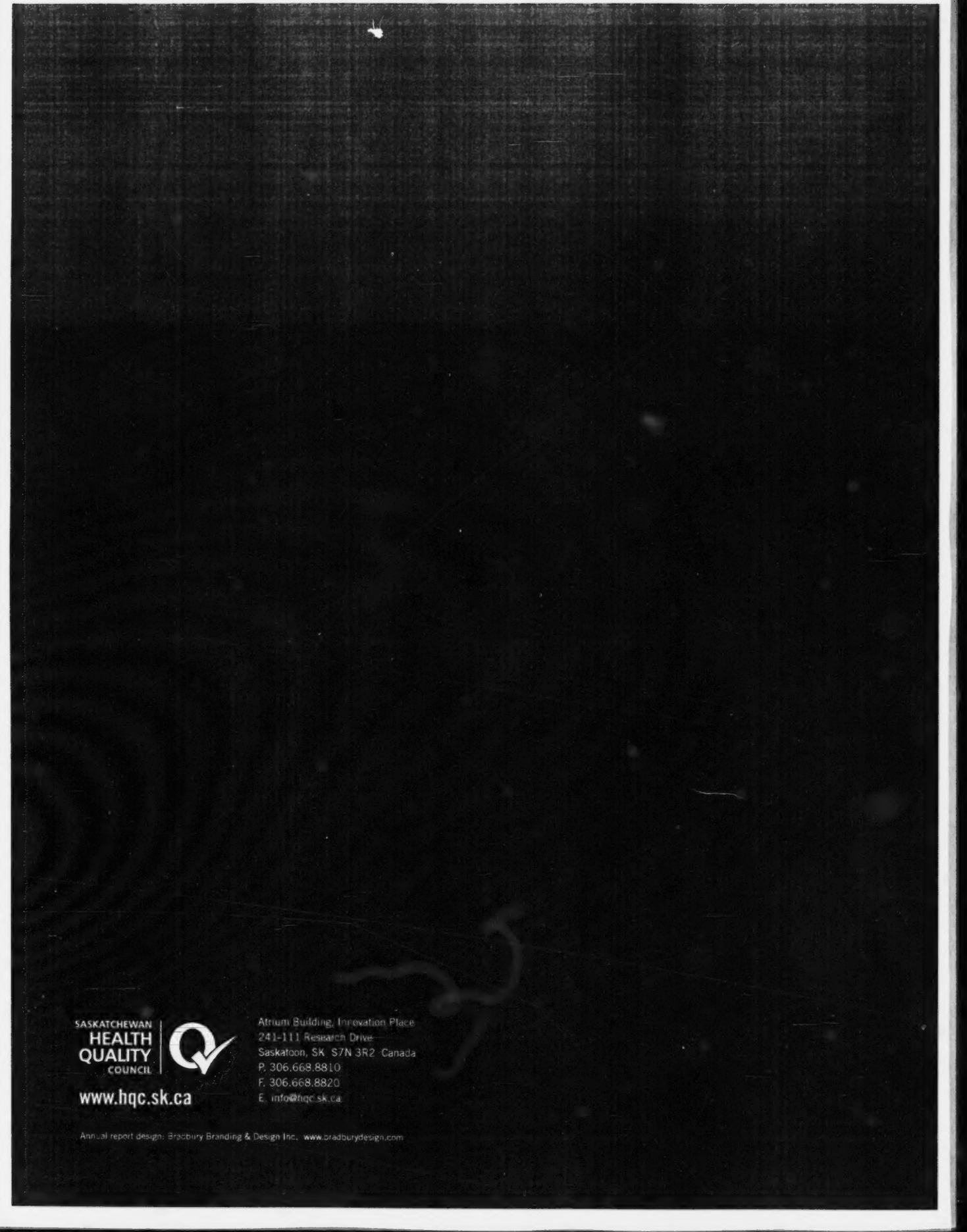
Regina, Saskatchewan
May 28, 2010

Brian Atkinson, FCA
Acting Provincial Auditor



Our unique role and position within Saskatchewan's health care system and our vision – the highest quality of health care for everyone, every time – demands our unwavering attention and effort across a number of key strategies:

- Measuring and reporting on quality;
- Engaging with providers, patients, and the public;
- Building capability and leadership to improve quality;
- Spreading and sustaining effective practices; and,
- Informing policy.



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